

FLOOD MITIGATION PROGRAM

Prior Law

None

New Provisions

Iowa Acts 2012 Senate File 2217 establishes a Flood Mitigation Program and a Flood Mitigation Board to review proposed flood mitigation projects and authorize funding for approved projects. This Act also establishes two funding sources, a Flood Mitigation Fund and a Sales Tax Increment Fund, to provide funding for flood mitigation projects. The Flood Mitigation Fund will consist of appropriations and other moneys. The Sales Tax increment Fund will receive deposits of increased sales tax revenues from impacted areas, as calculated by the Iowa Department of Revenue (IDR). The Flood Mitigation Board will determine the funding source and amounts allocated to applicants for approved projects.

Once a project has been approved, the Department of Revenue will establish a base year and calculate an increment by comparing the sales tax revenue collected during a given quarter and comparing it to the same quarter in subsequent years to determine if there has been an increase. Subject to certain limitations, increases will be credited to the Sales Tax Increment Fund. However, no money will be credited to the Sales Tax Increment Fund prior to January 1, 2013. The maximum time limit for an approved project to be funded from the Sales Tax Increment Fund is 25 years. If revenue in the Sales Tax Increment Fund exceeds \$30.0 million or the awarded amount needed at any given time, then the excess funds will be deposited in the General Fund. In calculating and depositing money into the Sales Tax Increment Fund, the fund transfer order will be such that the LOST and SAVE distributions will be held harmless.

When a project no longer needs funding, the governmental entity will notify the Department of Revenue and funding will stop. The bill specifies that future project costs for support and maintenance will be paid by the governmental entity sponsoring the project.

Section(s) Amended

2012 Iowa Acts Senate File 2217 primarily creates new Code Sections 418.1 through 15 to establish and describe the Flood Mitigation Program and amends subsection 423.2(11) describing the order of funds transfer.

Effective Date

April 16, 2012